

## Message Text

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ACTION XMB-04

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 SS-15 L-03 H-02 NSC-05

PA-01 PRS-01 SAM-01 DODE-00 /083 W

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R 041351Z NOV 75

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 8833

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E.O. 11652: N/A

TQGS: OVIP, IS

SUBJECT: VISIT OF EXIMBANK EXECUTIVE VICE PRESIDENT TUTINO

REF: STATE 242125

1. EXIMBANK EXECUTIVE VICE PRESIDENT TUTINO, ACCOMPANIED BY VICE PRESIDENTS BIERMAN AND SOLOMAN, MADE BRIEF VISIT TO ISRAEL OCTOBER 25-29. THEIR VERY FULL PROGRAM INCLUDED MEETINGS WITH MINISTER OF FINANCE RABINOWITZ, MINISTER OF COMMERCE AND INDUSTRY BAR-LEV, GOVERNOR OF BANK OF ISRAEL SANBAR, AS WELL AS TOP BANKING AND INDUSTRY LEADERS. THEY ALSO MET WITH AMBASSADOR TOON.

2. ISRAELI OFFICIALS STRESSED MAJOR IMPORTANCE OF EXIMBANK FINANCING FOR ISRAEL'S DEVELOPMENT AND IMPORT NEEDS. ISRAELI PLANS FOR DEVELOPMENT OF NUCLEAR POWER AND EXPANSION IN PETROCHEMICAL AND OTHER INDUSTRIAL SECTORS WOULD IN FACT SHARPLY INCREASE NEED FOR U.S. FINANCING IN YEARS AHEAD.

3. EXIMBANK OFFICIALS STATED THAT EXIM HAD HAD A LONG HISTORY OF LENDING FOR WORTHY ISRAELI PROJECTS. ISRAEL'S CURRENT DEBT POSITION TO EXIMBANK IS APPROXIMATELY  
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\$300 MILLION. AS FOR ISRAEL'S FUTURE CAPITAL NEEDS,

EXIM WILL BE AS HELPFUL AS ITS RESOURCES PERMIT. HOWEVER, GREATLY EXPANDED WORLD-WIDE DEMANDS ON EXIM'S VERY LIMITED RESOURCES REQUIRE GREATER SELECTIVITY IN THE FUTURE WITH RESPECT TO INDIVIDUAL PROJECTS.

4. EXIM OFFICIALS STATED THAT IN ADDITION TO GREATER SELECTIVITY, BANK WOULD IN FUTURE REQUEST GOI GUARANTEES FOR DIRECT LENDING FOR LARGE PROJECTS. IN RESPONSE, ISRAELI MINISTERS STRESSED THAT CURRENT POLICIES DESIGNED TO REDUCE CONSUMPTION AND EXPAND EXPORTS WOULD BE CONTINUED AND EVEN STRENGTHENED. THEY ALSO THOUGHT THAT IT WOULD BE POSSIBLE TO PROVIDE GOI GUARANTEES FOR LARGE EXIM LOANS IN ISRAEL. WITH REGARD TO SSSPECIFIC PROJECTS, GOI WILL NEGOTIATE TO OBTAIN EXIM AGREEMENT TO L  
END

45 PERCENT OF \$130 MILLION FINANCING PACKAGE FOR COAL-FIRED POWER PLANT AT HADERA. EXIM WOULD GUARANTEE LOANS FROM U.S. BANKS PROVIDING 30 PERCENT OF REMAINDER. EXIM OFFICIALS INDICATED AGREEMENT IN PRINCIPLE TO EXIM FINANCING OF MACHINE TOOLS FOR ISRAEL AIRCRAFT INDUSTRIES AND FOR U.S. COMPONENT PARTS GOING INTO ASSEMBLY OF "WEST WIND" AND "ARAVA" CIVILIAN AIRCRAFT BY IAI. U.S. COMPONENTS REPORTEDLY CONSTITUTE FROM 50 TO 60 PERCENT OF THESE AIRCRAFT. EXIM WILL REQUIRE CERTIFICATION THAT TOOLS WILL NOT BE USED FOR MILITARY PURPOSES.

5. COMMENT: EMBASSY BELIEVES THAT VISIT OF VICE PRESIDENT TUTINO AND HIS COLLEAGUES WAS HIGHLY SUCCESSFUL. VISIT WAS PARTICULARLY TIMELY AND USE FUL SINCE IT SERVED TO EDUCATE KEY ISRAELIS WITH RESPECT TO POSSIBILITIES AS WELL AS LIMITATIONS ON FUTURE EXIMBANK FINANCING.  
TOON

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANKERS, VISITS, DEBTS  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Reference:** 75 STATE 242125  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 11 AUG 2003  
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**TAGS:** EGEN, IS, XMB, (TUTINO)  
**To:** STATE  
**Type:** TE  
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